

A SPEECH

UPON

THE BUDGET

BY

PROF. G. E. FOSTER, M.P.

FOR KING'S COUNTY, NEW BRUNSWICK,

*IN THE CANADIAN HOUSE OF COMMONS, ON THURSDAY, APRIL 5th, 1883.*

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# THE BUDGET DEBATE.

SPEECH BY PROF. G. E. FOSTER, M.P.

The following is a full report of the speech delivered in the House of Commons on Thursday evening April 5th, 1883, by Mr. FOSTER, Member for King's County, New Brunswick.

Mr. SPEAKER,—If the hon. gentleman who has just taken his seat had occasion to ask the kind indulgence of this House for the remarks which he, an old member, proposed to address to it, on the ground that the debate was well worn, and that the patience of the House had been somewhat taxed, I think I may be pardoned if I ask a still greater measure of indulgence, on the ground of my inexperience in dealing with such matters as these, on account of my being a new member, and of having to follow in this debate after the very able speeches delivered on this side, and the lengthy criticisms which have been given on that side of the House. I suppose that as long as we maintain our present political system we shall be obliged, for a time at least, to conduct our affairs in Parliament by what is known as the machinery of party Government. It is, perhaps, an evil incident, but not essential to party Government, that the country must be divided into two hostile camps, and that in Parliament we must have the generals and leaders of those two hostile camps pitted against each other—often more anxious, I am afraid, to gain an advantage over each other than to be strictly careful as to the work which is necessary to be done.

I acknowledge, too, that the functions of an Opposition are rather difficult. It will not do for them too much to agree with what has been done by the Government to which they are opposed. Necessarily to their position they must find fault, they must criticise, and after year has passed upon year, it is not to be wondered at that this fault finding spirit comes to be somewhat chronic, and those who are so fortunate as for a long period of time to sit upon the Government side of the House ought to have, I think, a great deal of charity and consideration for those in the unfortunate circumstances I have mentioned, and which are incident to a long service in Opposition. The members on the Opposition benches have, as I stated, necessarily to criticise

and find fault. I must say that I was somewhat puzzled to know how they would proceed, or what they would find fault about, after the very excellent setting forth of the financial affairs of this country by the hon. Finance Minister, and after the very lucid explanation which he gave of the figures which had appeared in the Public Accounts. After having looked carefully over those Public Accounts, and knowing fairly well

## THE CONDITION OF THE COUNTRY,

I confess that it was difficult for me to imagine what particular grounds the Opposition would take.

I have noticed the Budget debates in the British Parliament; I have noticed the Budget debates in the Congress of the United States, and I have found that some great mistake in public policy, some defeat of armies, some disaster which had befallen the country either at home or abroad, or some question of imminent fiscal change, is the matter which is chiefly brought up and relied upon with reference to a criticism of the speech from the representative First Minister. But, sir, in this country we have none of these. Our country is at peace. All over it, from British Columbia to Cape Breton, a peaceful feeling seems dominant and uppermost.

Nova Scotia is perfectly happy, enjoying herself upon the proceeds of the better terms which were gained in 1869, and has ceased to grumble. Prince Edward Island is quiet, and the only disturbance upon its political horizon is the contested election in the celebrated King's County case. New Brunswick, as usual, is good-tempered and steady. Ontario, as the critic of the hon. Finance Minister's speech has stated, is prosperous, and the war cloud which arose there not many months ago, and grew to be, at least, as large as a man's hand, and which was materialized, I think, probably for political purposes, has again been dissipated and no longer appears to view. Manitoba, which raised, or rather

re-echoed, the feeble war cry issued from the Toronto *Globe* office, and which reverberated along the distant hills of the Turtle Mountain District, has grown peacefully calm; the echo has passed away and is completely overborne in the tread of the hundreds and thousands of settlers and the hum of the steadily increasing business in that province. British Columbia, which, as I know from reading the debates, used to come down here and talk about its being so badly used, now seems to be perfectly quiet, and its able members are philosophically contemplating the problem of the extinction of the Chinese. Even Quebec, that new France, or rather that old France upon new soil, seems to be quite contented, with the exception that just now its serenity may be a little ruffled by the slight flutter of the Orange and the Green. Our trade has increased in volume, our manufactures are steadily growing, our labor is at a premium, our wages are given more liberally and more steadily, and, taking it through and through, this is a prosperous year, and this is a prosperous time in the Dominion of Canada, and it is difficult to conceive how 'hon.' gentlemen opposite can find fault in this respect.

Again, with regard to the position of our country abroad. I suppose Canada never was better known to the world as a place where crowded peoples may find a large outlet and where immigrants may find a happy and prosperous home. Entering into relations of cordiality and sympathetic co-operation with the Mother Country closer than ever before, with her credit good and her position in the money market better than in any preceding year of her history, her position abroad seems to be all that we can desire. And when we think that at home we have no deficits, but that surplus is king—and long may he be crowned as king, say I—when we recollect that, for the first time in the history of the country for eleven years, and for the second time since Confederation, we have made a reduction of the public debt—this time by about \$1,700,000; when we recollect that our revenue shows no sign of decided decrease, that our ordinary expenditures are met and our liabilities as they mature are redeemed, and all this without finding it necessary to float a foreign loan, it seems to me that the condition of the country is such that it will be very difficult indeed for hon. gentlemen to find fault with it.

The gentlemen opposite have peculiar methods of dealing with the finances of the country and with its fiscal policy. I think, as the line of attack has so far been very largely directed against this side of the

House, that it will be well for us now to make a counter movement and direct some attention to them; and I propose, with the kind permission and indulgence of the House, to criticize, very modestly and very humbly, some of the attitudes which have been taken on the financial question by these gentlemen.

First, then, with respect to

#### OUR FINANCIAL CONDITION.

The method that has been pursued by the party organs through the country, and has been followed up in this House by the leaders of the party, has been this. They have three columns of figures, and they are these, viz:

Year.	Debt.	Expenditure.	Receipts.
1867.....	\$ 75,728,641	\$13,486,092	\$13,687,928
1868.....	75,757,134	14,088,084	14,379,174
1869.....	75,859,319	14,345,509	15,512,225
1870.....	78,209,742	15,623,081	19,335,960
1871.....	77,706,517	17,589,468	20,714,813
1872.....	82,187,072	19,147,647	20,813,469
1873.....	99,848,461	23,316,316	24,205,092
1874.....	108,324,964	23,713,071	24,648,715
1875.....	116,008,378	24,488,372	22,587,587
1876.....	124,551,514	23,519,301	22,059,274
1877.....	133,235,309	23,503,158	22,375,011
1878.....	140,362,069	24,455,381	22,517,382
1879.....	142,990,187	24,850,634	23,307,406
1880.....	152,451,588	25,502,354	29,635,297
1881.....	155,395,780	27,067,103	33,383,455
1882.....	153,661,650		

One is a column of debt from 1868 to 1882. That is kept constantly ready to do service as occasion may require in the papers and in Parliament. Then, again, they have a column of expenditures, running in the same way, from Confederation up to the present time; and they have also a column of revenue which shows, as they say, the burden of taxation which is placed upon the people of the Dominion. The fault I have to find with the method of the Opposition in the country and in Parliament is that it is their object to keep those three columns of figures, debt, expenditure and revenue which they say shows the taxation wrung from the people, constantly before the people and Parliament, without giving alongside of these columns what we have to show for our debt, for our expenditure, and what we have, in the elasticity and expansion of our trade, to show as receipts which do not bear heavily on the people, and so cannot be called a burden of taxation.

In 1867 the debt of Canada was \$75,728,641; in 1874, \$108,324,974; in 1879, \$142,990,187; in 1882, \$153,661,650. Now, I wish this to be borne in mind, and I think it cannot be too prominently kept before the country, even though it be patent to hon. members of this House, that the item of \$75,728,641 is not a debt which is due to, or

which was created by this Dominion as a Dominion. It was simply a transference of debt which, before that time, existed in the several provinces, and which at the time of Confederation was placed in one Consolidated Fund, where it could be better managed and at a lower rate of interest. The impression often obtains abroad and through this country that the seventy-five millions odd somehow or other came to us because of Confederation.

Suppose for a moment we were to adopt the method pursued by hon. gentlemen opposite, that the increase of debt must be held to show the extravagance and incapacity of the Government. What conclusion would we arrive at by adopting this method of reasoning? The increase of debt from 1867 to 1874, under Liberal-Conservative administration, was \$32,596,323, that from 1874 to 1879, under the Liberal Government, was \$34,665,223—the former representing seven years, while the latter represented only five years; and that between 1879 and 1882, under the Liberal-Conservative administration, was \$10,671,463. Now, taking an average—recollecting that during the period the whole debt has been incurred the Conservative party has been in power ten years to the other party's five years, and that even, though each party had increased the debt at the same ratio, a larger portion would appear against the Liberal-Conservative Government than against the Liberal Government—we find that the amount added during the ten years by the Conservative Government on the same basis as that added by the Reform Government (which during five years added \$34,665,223 to the public debt) would have been \$69,330,440 instead of \$43,267,786.

#### THE FALLACY OF OPPOSITION REASONING.

I say that is according to the reasoning which prevails among hon. gentlemen opposite; but it is fallacious reasoning, and should never be used as a proper and legitimate criticism with respect to the finances of the country. The fallacy which underlies such reasoning is that an increase of debt is necessarily blameworthy, unstatesmanlike, and an index of coming disaster. I say that this is a fallacy; it will not bear dissection, or the light of investigation.

Suppose we were to make a business application of it. Here is a man with three sons. The man owns a farm, and his sons own each a farm; they are all mortgaged. Some fine day the father and sons come to the conclusion to merge their farms into one, to lift the small mortgages existing and go

into partnership. They see near them a large piece of country, which promises to be excellent grass land, and they say: "We will buy it, because through it we will add to the resources and to the productive power of what we already possess." Then they say: "A portion of our land needs trenching and tiling; we must put up a barn here and an out-house there," and so looking around them, they get capital and buy and make these improvements. Now, what I mean is that, if in that expenditure of capital, they had increased their resources, and put all these different pieces of land into a condition by which a greater return would be brought to them than before it would be no argument against them to foot up the expenses which they have incurred, and say that they are wasteful and extravagant, and going to ruin. This very extravagance, so called, is simply judicious investment, and the amount capitally expended and the amount of ordinary expenditure, is a wise expenditure, because it is the guarantee and condition of a return which is to come by-and-bye. Now, Mr. Speaker, I wish to ask the hon. members of this House if that is not a fair application of a business principle; and also if the very same business principle does not apply to countries as well. I take issue entirely with the hon. gentleman who has last spoken, when he intimates that it is the sole function of a Government to administer the affairs of a country. I say that a Government is unworthy of being at the head of a country if it is simply to sit down and do nothing but administer the routine; business thereof; but that Government must be sagacious and long-sighted, and must have business principles, and put them into execution, and that it must reach forward, and look to what would be best for the development and future growth of the country. Like a business man, a Government must set to work, and expend, and bring its undeveloped resources into a condition where wealth can be realized; and that you will find, Mr. Speaker, as the House well knows, is the method pursued now among all younger countries.

#### COMPARISON OF DEBT.

I hold in my hand a table with reference to the Australian colonies; New South Wales, with a population of 781,000, has a debt of £18,924,019 sterling; Victoria, with a population of 882,000, has a debt of £22,944,602 sterling; New Zealand, with a population of 500,000, has a debt of £29,946,711 sterling; South Australia, with a population of 295,000, has a debt of £12,481,800 ster-

ling; Queensland, with a population of 227,000, has a debt of £13,125,000 sterling; Tasmania, with a population of 119,000, has a debt of £2,003,000 sterling; West Australia, with a population of 32,000, has a debt of £500,000; and all these Australian colonies, with a population of 2,844,000, have a debt of £99,925,482 sterling. Now, the other fact that I wish to couple with that is this: That in 1860 the debt of all these colonies was only £10,000,000 sterling, and twenty-two years afterwards it is £99,000,000 sterling; that is, there has been an increase of over 900 per cent. in their debt, which is £34 sterling per head, or about \$170. Now, if the hon. gentlemen who criticised the financial address had only had the good fortune to be leading the Opposition in the Confederation of the Australian colonies and could point to a debt which had increased 900 per cent. in twenty years, I think, Mr. Speaker, he could have drawn a picture before which the dark and gloomy outline foreshadowed by him here, would be only in comparison, as the sombre shadows of Milton's Paradise Lost in contrast with the lurid and ghastly scenes of Dante's Inferno.

And what do we find in reference to the Australian Colonies? That this immense expenditure of money has been on public works, and that they are already getting in a very large return for it, and that their credit stands high, as we will see, upon the English money markets. Now, what are the reasons for this? I think they are easily seen. Countries do not grow now as they did one thousand years ago. It may have been all very well for a country in an age, and situated as Great Britain was, to take fifteen hundred years in which to grow from her wildness and barbarism up to the great country which she is to-day; but a new country which, in this age, hopes to progress by that purely natural method, will remain unknown and undeveloped, while other countries about it will measure themselves with it and vastly surpass it in the race of national development and of substantial growth. Things are different now to what they were in the olden time. There is now competition, and what are you going to do with a new country? It has no people; it has no wealth, and it has very large resources, and before the older countries will look at it or send immigrants thither, you have to put capital into that country; and as capital is not in the country itself, you must perforce borrow that capital and expend it upon the country; and I hold, Mr. Speaker, and I think it cannot be successfully contra-

dicted, that taking into account this change of affairs, and the competition which takes place between the lands now seeking for immigration from the older countries, that a judicious and wise capital expenditure of money, making the debt for the new country, is not an index of incapacity and coming disaster, but a sign of business-like qualities, an index of sound statesmanship, and a guarantee for the best prosperity in the future for that country. Now, then, with reference to

#### THE INCREASE IN THE PUBLIC DEBT

and in the public debt. I wish the House to especially think of what has been noticeable all the way through this debate; that there was not a single item of all that public capital expenditure which was taken exception to by the members from the other side of the House; all they did was simply to point to an aggregation of figures; the debt was so much this year, and so much greater next year; and the debt was so much in 1882; that was the sole comment which they made upon it, and that was what they meant to be an argument against the Government and the policy of the Government, as supported by this party. I hold that such an argument is altogether inconsequential, and has no force, and that it cannot be used against the Government unless it can be supported by this, viz.:—That the items upon which this capital expenditure was made were items which ought not to be defended, and which, therefore, show waste and extravagance on the part of those who made them. What do we find with reference to this? Has the debt been increased? Yes, it has; but what has been done with this increase?

We have dealt liberally with the different Provinces of the Dominion; and would it have been a good thing for the future prosperity, for the future unity of this growing country, that after the Dominion had taken very largely the great sources of income from the Provinces, it should keep them ground down under debt, and constantly in disquiet, and that this should be a permanent source of anxiety to them? And this Parliament said that that was not the policy, and so it agreed to treat the Provinces liberally, and I wish you to think with me that the Liberal Conservative administrations, of all that increase of debt with which they are charged, assumed debts of the Provinces from 1869 to 1870 to the amount of \$23,099,096. That is caused by the aggregation of Provincial debts, but it has not added one cent to the indebted-

ness of the country ; it has simply taken off the heavy burdens from the different parts of the country where they would pay larger interest, where they would not be so easily managed, and massed them in the aggregate where it can be more easily managed, and where the rate of interest will be decreased—where it can be met by the great revenues which come in as an offset to them.

We have also built the Intercolonial Railway. No one has appeared in this House to find fault with that expenditure, yet the Conservative Governments of these different periods expended no less than \$21,180,054 on Capital Account of the Intercolonial Railway. Then, again, we have built canals and public works, and on miscellaneous public works by the same party during their different periods of power, there has been added to the debt of the country \$9,750,226. Upon the Canadian Pacific Railway there has been spent on Capital Account \$14,933,000. On North-West Territories—the purchase of the territory and the amount expended from capital for Dominion lands—we have the sum of \$3,766,563, making altogether, added to the \$77,500,000 assumed at first, \$150,289,663. What I say is this: that until the Opposition can find fault with, and charge as extravagant, these different items, it is altogether inconsequential, and it is, I might say, absurd, to run up this long list of figures without giving the purposes for which they were expended, and the resources we have on hand to balance that expenditure.

#### THE EXPENDITURE COLUMN.

The same method is adopted with reference to the expenditure. The expenditure in 1868 was \$13,486,092. In 1882, it was \$27,067,183. The rate of expenditure was small in the period from 1874 to 1879 while the opposite party were in power. They are entitled to all the credit which they can get, and which we and the country cheerfully accord to them for that lessened expenditure, and they will get a larger meed of our praise and of the praises of the country if it can be shown that in that lesser expenditure they did not at the same time starve the public works of the country, retrench where retrenchment could not be properly made, and which afterwards would cause an increased hunger of these public works, and add more than if they had been kept up steadily from one year to another. This is the method which they take of showing an increase of expenditure. If you read carefully, as I have no doubt every true Liberal-Conservative does, the columns of the *Globe*, you will see that a stereotyped set

of figures called the expenditure of the Dominion comes out in a column by itself every now and then, but the other side is not put down alongside of it. That same method has been

#### THE METHOD OF CRITICISM

during this debate. The fallacy that underlies this argument is that the increase of expenditure necessarily means extravagance. Is that true? Let us make an application of it as a common business principle. Here is a man who sends out a person to another country to sell on commission. The merchant conducts this year a business of about \$5,000, we will say, and incurs an expenditure of \$1,000 or \$2,000 for carrying on that business. The commission merchant sees that he can do better, and the second year after consulting the person who has sent him there he enlarges the business, he opens out on a new line of goods, he sends one agent here, and another there, and so goes on with the business. The person who established the agency sends out a man to look after the business, and at the end of the second year, after looking into the business he reports: Why, the expenses last year were only \$1,000 or \$2,000; they have risen this year to \$3,000 or \$4,000; you had better recall that man. Do not you see that he is extravagant; the expenditures are going right up? What reply would the other man make? He would say: Before I recall him, I want you to give me something besides a mere list of expenditures; I want you to give me a list of the returns from that expenditure, and if it can be shown that the returns are adequate to, and follow closely after the expenditure, I will say that it is an evidence of business capacity and not of extravagance. Is not that a fair business principle, and should not the same principle be applied to the country as to the individual? Is it not just as unfair simply to run up a long list of expenditures without giving the extra returns and the receipts in the case of the nation as in the case of the individual? I think we may lay it down as a fair theory that no one here will dissent from, that if money is spent without any adequate return, we may call it waste. If money is spent in the way of capital expenditure with a return equal to a fair interest on the amount expended, and if the ordinary expenditures give back an equivalent in the shape of a return to the expenditure made, we must call those expenditures judicious investments, and those investments will be judicious in proportion as the degree of the return which comes from that

expenditure amounts *pari passu* to the expenditure made. Are not those fair business propositions? Let us apply them to the expenditure of the Dominion of Canada. It is true that the expenditure has increased, and it is also true that the returns and the receipts have increased as well.

#### SOME DETAILS OF EXPENDITURES.

Let us take for instance the single item of the Post Office. In 1868 the percentage of expenditure over receipts was 17 per cent. In 1874 it was 57 per cent.—a large increase. In 1879 it was 43 per cent.—a small decrease; but in 1882 it has dropped to  $6\frac{3}{4}$  per cent. Now, from the year 1868 to 1882 the Post Office expenditure over receipts has decreased from 17 per cent. to  $6\frac{3}{4}$  per cent., while taking the middle period it has decreased from 57 to  $6\frac{3}{4}$  per cent; and on the business principle we have laid down, the Post Office expenditure cannot be criticised simply on the ground of increased expenditure, because the receipts have been steadily creeping up and within a few years at this rate they will have overtaken them, and I hope the Post Office will before long come to be a source of revenue instead of a cause of expenditure.

Let us look again at the question of revenue and expenditure. From 1867 to 1874 the receipts or the revenue increased 76 per cent.; the expenditure had increased 73 per cent. From 1874 to 1879 the receipts decreased 7 per cent. and the expenditure increased 5 per cent. From 1879 to 1882 the receipts increased 48 per cent. and the expenditure increased only 10 per cent. Between 1868 and 1882 the receipts increased 143 per cent., while the expenditures increased only 100 per cent., there again showing that the expenditures have diminished while the receipts are constantly increasing and justifying the rule we have laid down. Let us take again the question of Customs. From 1867 to 1874, the increase in the receipts was 67 per cent., while the increase in the cost of collection was only 37 per cent. From 1874 to 1879 there was that ominous decrease in the receipts of 10 per cent., but an increase in the cost of collection of 9 per cent. From 1879 to 1882 there was an increase in the receipts of 66 per cent., and an increase in the cost of collection of only  $\frac{3}{4}$  per cent. In 1868 the annual percentage of expenditure for the collection of revenue was 5.99; in 1874 it was 4.55; in 1879 it rose to 5.56, and in 1882 it fell to 3.33. The business principle we laid down has been lived up to in every one of these instances; and so

I say that, although the expenditure has increased, yet we find that, along with that increase, we have had more than a corresponding increase in receipts. There has been an increase in public works and public services given to the people of Canada, and we have felt the beneficial result of this expenditure all over the country; and unless the Opposition find fault with the items of the expenditure, I think it cannot be controverted that the expenditure has been incurred on business principles, and that there has been kept up with it an accretion of receipts largely preponderating over the augmentation of the expenditure.

#### THE TAXATION COLUMN.

I wish to refer to another of these columns. There are three columns, a sort of a trinity of figure lines. There is a debt column, an expenditure column, and what is called a taxation column. The taxation column, translated into plain English, means nothing more than this—that it is a column of the receipts of revenue from all sources, and to that is applied the name of taxation. Our revenue, fortunately, has been almost always on the up grade, and if you saddle that with the name of taxation, it is easy to prove that the taxation of this country is continually increasing. In 1878, we are told, the revenue was \$22,375,011, and in 1882 \$33,383,452, an increase of \$11,008,441. Hon. gentlemen opposite point to that increase, and they say that is the whole of the extra taxation which is wrung out of the hard earnings of the people of Canada. Now, it cannot be successfully held that the larger part of \$11,008,441 is an increased burden of taxation. There is a *quid pro quo*. If I hire a man and give him a dollar for a piece of work, I cannot truthfully say that that dollar is a burden of taxation upon me; for the man has given me labor in return. We have a Post Office service in this country which charges 3c. per letter for carrying our letters; are we, then, to turn round and say that this Post Office revenue is taxation wrung out of the hard earnings of the people? Would we take our own letters and deliver them at 3c. apiece? Do we not consider that we are getting service for the money we pay? Then, I want to say that there is a distinction between the amount of taxation and the burden of taxation. For instance, here is a man with a small business. It requires correspondence to carry it on. This year he writes five hundred letters in the course of that business, and pays \$15. You may call that, if you please, the burden of taxation for that year. The next



year his business requires the writing of double the number of letters, and so he pays \$30 in postage instead of \$15. He has paid double, but he has received service for every one of the letters carried. So I want to make this point—that of that \$11,008,441 increase of revenue, there is a large share which is not to be attributed to the tariff, but simply to the growth and expansion of the revenue, due to the increased business and the increased services in the country. For instance, from 1878 to 1882, there has been an increase in the Post Office revenue of \$380,098. Is that wrung out of the people? There has been an increase in Excise of \$962,812; has the tariff anything to do with the Excise? There has been an increase in public works dues of \$676,651, but this has been from tolls and railway freights and these have not been heightened but rather lowered. That must show you that this increased revenue is not taxation in the proper sense of the word, but that for every cent of it a service has been rendered, the country rendering service to the people, and getting pay from the people in return for it. Now, hon. gentlemen opposite are persistently drilling into the minds of the people that the whole increase of the Customs duties from 1878 to 1882 has been due to the increase in the Tariff. I remember a summer or two ago, when I was in the city of Fredericton, having the pleasure of listening to the hon. leader of the Opposition. It was on the occasion of that celebrated tour that he made to the Maritime Provinces, in which he gained a great many acquaintances and made a great many friends, even though he did not secure a very large increase of votes. I had the pleasure of listening to that hon. gentleman, and to the farmers who were all about him looking up into his face; he used this argument:—“Now, said he, when you farmers go into a store and buy a number of yards of shirting, I want you to recollect that you must cut off so many yards, and send them up to the Government at Ottawa;” and in my simple-mindedness I began to imagine what an astounding wardrobe the hon. Finance Minister must have, and what a plethoric larder these members of the Government must keep.

#### THE RELATION OF GOVERNMENT TO THE PEOPLE.

Now, there are two ideas in that that are erroneous. The first is this, and although it may not appear of much importance to some, I think it is very important, and the principle underlying it is very important. I say there should not be any notion of antagonism raised between the Government and

the country. It should never be represented that the payments which come from the country in the shape of revenue are going into the hands of another and totally distinct party, the Government of the country. But the Government of the country is a part of it, doing its business for the individual in the aggregate, and that kind of representation has just this influence, that it produces an antagonism between the people and the Government. The people are led to look upon the Government as something foreign to themselves, and hence arises the jealous idea that the Government are using the people's money for their own purposes, while in reality the expenditure by the Government is only the expenditure of the people's money by persons who are selected to do that business for them. Then there is the *suppressio veri*—the keeping back of the truth. They tell the people that when they buy so many yards of shirting they have to cut off some and send it to the Government at Ottawa. But the people are never told that under the former *regime*, if they bought so many yards they had to cut any off. They were led to believe that all they were obliged to cut off was due to the National Policy. But what do we find when we examine into the question? We find that in 1878, \$91,199,577 worth of goods were entered for home consumption, and that the duty paid was \$12,795,693. In 1882, \$112,648,927 worth of goods were imported, on which \$21,708,837 duty was paid, being an increase of duty of \$8,913,144. Now, all that duty was not due to the Tariff which was brought in with the National Policy. If we look at 1878, we find that the average duty was 14 per cent., and if we look at 1882 we find that the average was 19 per cent.; so that the Tariff simply caused an extra collection of 5 per cent. If we apply that, we will find that 14 per cent. of the home consumption entries of 1882 would amount to \$15,770,849, the difference between that amount and what was collected being \$5,937,988—that is, there was an expansion of trade, and if the duty had only been 14 per cent. for the year 1882, there would have been still several million dollars more collected than was collected in 1878, because the volume of imports was greater. Therefore, when we come to look at the whole revenue of \$33,383,452, and contrast its increase over that of 1878, we must not look at it in the light of more taxes on importation, but we have to show that such was the expansion of business and prosperity, that a very large accumulation to our revenue resulted.

Mr. PATTERSON—Hear, hear.

Mr. FOSTER—Hon. gentlemen opposite say "Hear, hear," because they think I have very effectually stated an argument of their own, that if there had been no extra duty put on at all in 1878, the natural expansion and growth [of the business of the country and the revenue consequent on that growth, would have given us sufficient to carry on the whole affairs of the country. I do not make that statement, but I state two considerations which go to disprove it. First, I do not believe this growth and expansion would have taken place to any great degree if it had not been for the impetus given to the business of this country by the policy of the Government. I think that the effect of the National Policy, and the effect of what arose out of that in the increase of manufactures and consequent increase of importation of machinery and raw material and other goods, and the greater ability of the people to buy, through the wages paid—of all these things and others I might mention, has been the expansion of the revenue to a greater degree than it would otherwise have been. The other point I want to make is this, that the legitimate expenses of this country, as I have explained before, have increased, and we require more revenue in order to meet them.

Mr. PATTERSON—The National Policy was designed to decrease imports and to restrict trade.

Mr. McCALLUM—Hear, hear.

Mr. PATTERSON—The hon. Finance Minister said so.

Mr. FOSTER—Who has the floor? The next point I wish to make is this: I want to bind the Opposition down to the position which they have made inevitable to themselves.

#### THE POLICY OF THE OPPOSITION.

What is their whole argument? It is this: Here is this trinity of figures—the increase of debt, the increase in expenditure, the increase in taxation. All these increases show, or ought to show, the incapacity of the present Government, and their unworthiness of the confidence of the country—that they ought to be put out and that we should be put in. Is not that the argument, if there is any truth or honesty or candor in the Opposition, and there is? Here is the inevitable position into which they are forced. If to-day we could go backwards and put them at the beginning, if they are true to this argument which they make, they would not increase the debt or the expenditure of the country. In what condition then would we

be? We would be stagnant and stationary. Where would have been our public improvements which could not be carried on without increased expenditure? Where would have been our consequent increase of revenue? The inevitable position they are driven to is this, that if they had been in power they would not have incurred this expenditure or incurred it in a vastly less degree. And so all the great lines of public policy which have been inaugurated and carried out, and which have made Canada as great as it is, and given it such a future, would not have been for this country and for this people. I want to know if such a position as that, and such an alternative as that, if put to the people of the country, would not stamp any party as inefficient and incapable? If the people believe—and the people has reason to believe, and it is a just and legitimate belief—that for a new country like Canada, with such immense resources, so few people, such comparatively small wealth, it is of prime necessity that great expenditures should take place in the way of public works and means of intercommunication in order that settlers may avail themselves to the greatest degree of the heritage which we have. I have stated that there has been no serious criticism with reference to the items of the debt or the expenditure. At first sight it may seem that this is a rash statement to make after the long hours of speeches by the ablest critics on the Opposition benches, and yet I leave it to the good sense of the House if, from the time this debate opened until now, there has been anything brought up on the other side to impugn one single item of the capital expenditure which goes into our public debt.

#### THE WEAKNESS OF LIBERAL CRITICISM.

I leave it to any competent person to decide whether in any of the talk which we have heard about increased expenditures, there has been one serious effort made to get down to the bottom of any large expenditure, and say that it is extravagant, unwarranted or uncalled for. The critic of the speech of the hon. Finance Minister distinctly approved of a number of expenditures, he slightly touched with no great reprobation one or two others, and then swiftly descended into the region of cab hire and contingencies—two items which, I think, might very well come up for criticism when the Estimates come before the House, but the quick resort to which proved to me that there could not have been much to criticize in the great items of expenditure. Now, the hon. member for South Brant knew well

enough that that was not a legitimate way to criticize the financial policy of this House, and he admitted as much. His conscience, I judge from his courteous disposition and his pleasant manner, is still tender, and it rather pricked him at first. He stated what the hon. member for North Norfolk has stated to-day, but in a little different way: he said the Finance Minister went into explanations. He was bound to admit that many of the explanations had weight, but did not the people of the country know, and were not the Public Accounts before the people? And that was all that was necessary. The people had the figures in the Public Accounts, and they did not want any explanations. And yet for days and hours before that same hon. gentleman looked anxiously and longingly for the time to come when the Finance Minister, notwithstanding that these Public Accounts had been before this House almost from the first of the session, should come down and make the necessary and needed explanation of those Public Accounts to the people. Why are they not needed? Mr. Speaker, every young member in this House who gets the ponderous tome which my hon. friend the Minister of Customs issues each year, and sits down to his table to look that over and pick out some figures which will just suit himself, knows that there is almost a technical education needed to get at the bottom of even the best regulated Public Accounts, and that to give that volume simply to a man who is not used to the Public Accounts is almost like putting so much Greek and Latin before him. And so it is necessary that explanations should be given. But the hon. member for South Brant said that these explanations were not necessary; he was not going to give them their weight; he was simply going to take the items of expenditure in the Public Accounts. He knew it was not the proper method of criticism, and he simply justified himself on the ground that others did it. Here is what he said:

"The hon. gentleman knew that the Public Accounts were in the hands of members; he knew they showed that there had been a very great increase of expenditure; and he did what it was only natural he should do, he sought to break the force of that, by attempting to explain and justify each item, in order, if possible, to save himself and the Administration of which he is one of the ablest members, from blame and censure in that regard. \* \* \* \* I will be able to charge back upon those hon. gentlemen, and it will not be for them to resent anything in this direction, they themselves having adopted that line of criticism when they occupied this side of the House."

Now, all I have to say is, that if, when this Government occupied the Opposition benches, they took that wrong method of criticising the Public Accounts, then when the Government then in power took the Opposition benches and became a better and purer party, it ought to have left its old and wrong methods buried in oblivion, and to have taken its stand upon higher grounds and a proper method of criticism. When the hon. member for South Brant went through with his criticism, he impugned no items of the debt or expenditure, but struck away upon the National Policy. I wish to say one word with reference to his criticism of the National Policy. If I recollect aright, the elections were carried on and ended in the autumn of 1878. Parliament met here in 1879, it got through with its operations in April or May, and this policy went into operation, I believe, about the first day of May, 1879. The Public Accounts closed on the last day of June, 1879, and yet the hon. member for South Brant criticised the National Policy because in a month or a month and a-half, it did not do that which its exponents said that in the course of time it would do: I put it to the hon. member if he considers that is a fair method of criticism.

Mr. PATERSON—I did not say so.

Mr. FOSTER—I think if the hon. gentleman will refresh his memory, he will find that he took the ground that the National Policy, in 1879, had not done that which its friends and supporters had claimed that it would do, and began to talk about a long list of bank failures, and read a long column of prices, in one of which he stated that oats had fallen from 28c to 31c, and I think that it is in the memory of this House.

Mr. PATERSON—What month, June or September? One year after the Mackenzie Administration, or one month?

Mr. FOSTER—The unfairness is there all the same.

#### AN APT ILLUSTRATION.

Suppose that a man has been sick for a month, and a physician is called in to prescribe for him; after a long time the physician strikes the seat of the disease, he diagnoses the complaint exactly, and supplies a remedy on a certain date. You go in three weeks afterwards, and find that the man is still confined to the lounge, that he is not walking around, that he is not strong and able to do his work—do you say that that physician's skill has been useless, and that he has not touched the disease and virtually healed it? No; but you say, as any reasonable man would the man has been

sick, the disease has only just lately been diagnosed; it will take months for him to recuperate and get back to his normal position. We must give him time. It is exactly the same with reference to this National Policy. I never heard the hon. First Minister state that if the National Policy were adopted and this new line were carried out, that immediately, like waving of the wand of the magician, all these good things would spring up and flourish. That statement has been made by the Opposition. They put up a man of straw in order that they might amuse themselves in knocking it down.

Mr. PATERSON—The hon. Prime Minister said it.

Mr. BOWELL—I do not think the hon. Prime Minister ever said any such thing.

Mr. PATERSON—Yes, he will tell you so.

Mr. FOSTER—I would like to see you bring to me anything containing any such statement—

Mr. PATERSON—Well, he will not deny it.

Mr. FOSTER—And I have yet to find out that any such statement was made. The Government by any policy which it introduces, brings down and inaugurates, and by this National Policy which it brought down, never promised to build factories, never promised to put up tall chiminies, to establish refineries, while the people sat idly by with their capital in their pockets, or in their banks. Government does not do that thing any more than it makes the rain fall or takes the place of Providence, as the hon. gentleman opposite is in the habit of representing.

#### THE DUTY OF GOVERNMENT.

But the Government does not take, and should not take, the opposite extreme that they are nothing more than a fly on the wheel, and no matter what the position of the country is, or what are its requirements, all the Government can do is to go on administering the Post Office and collecting taxes, and is powerless to aid industries by legislation. This statement has been made often and often with respect to the growth of our exports and with respect to our great prosperity. A simile occurs to me, and I think it is a true one. Government cannot create the water that flows in the mighty river, but the Government can lead the water out of the mighty river and by appliances and machinery can carry it through acres and acres of arid soil, and by a proper system of irrigation, can make the desert bloom like a rose, and cover the sands with

fertility and an abundant harvest. There is this distinction; that which causes fertility is the gift of Nature, but the duty of utilizing it rests with man, and it is the same thing with the prosperity of a country. The great river in a country's prosperity is that which comes out of the soil, the sea, the mine; but that is powerless to do what it may do unless the Government provide proper conditions and unless they foster and care for and direct the energies to be applied to it. That is the distinction I would make, and it is one which, if carried in our minds would very much lighten up that often muddling and perplexing assertion that the Government cannot make good crops and cannot cause the fish to multiply in the sea.

#### THE UNPATRIOTIC POLICY.

Well, the hon. member for South Brant, finding he had not any chance of criticising the items of capital expenditure and ordinary expenditure, after a time forgets the calm way in which he commenced and launches out into hyperbole. He says that this Government has embarked on an era of extravagance. Did he prove it? He simply read a long list of figures. He says they have put a blight upon Manitoba. Manitoba still exists and is wonderfully prosperous, so far as I can hear. He states that the people there have been bound hand and foot. I have heard of no manacles or chains being sent to that country. This is extravagant language—language which, coming from the prospective Finance Minister of this country, makes people pause and think whether or not they should entrust such important affairs to a man who will make use of such intemperate language when he is speaking about his own country. I am sorry that this language has been used. I am sorry he has thus copied the ex-Finance Minister who formerly criticised the Budget Speech in this House, and who stated upon one occasion that Canada was a country to which no person could go, and in which no person could move without meeting at every turn the usurer and tax collector. These statements are not for the health of the country; they are not true statements; they go abroad and affect our immigration; they are caught up by those with whom we are competing, and they are made to do duty to keep people away from this country. The hon. member for South Brant seeing how weak and comparatively futile his criticism of the public finances have been, got up a rolling fire of light artillery under which he retreated into safe and sure cover. He talked about the Finance Minister acting in the place of Providence, about

the Finance Minister making crops grow and the sun shine. It was all a little piece of subterfuge to deceive the eye, while he gathered up his shattered forces and retired under cover. It was like the bivouac fires which sometimes are made to burn very brightly all night long, and lead to the belief that hostile forces are getting ready for the attack in the morning, but when morning comes it is found that the bivouac fires were kept burning all night, but the opposing army has safely and quietly taken itself away.

#### CRITICISM BY INSINUATION.

I now come to the hon. member for West Middlesex (Mr. Ross). That hon. gentleman dealt largely in implication. I want to emphasize that fact before the House. The hon. member for West Middlesex did not take up a single item of public debt and criticize it. He, however, thought something should be done in the direction of criticizing items of expenditure in the Public Accounts, and he commenced. What were his criticisms? He took up Public Works. He found the expenditure had increased; he asked the question why it had increased, and insinuated that it had increased for patronage purposes, and that a public building was placed here and there for the sake of making patronage and strengthening the party for the coming elections. That was the whole extent of his criticism of the Public Works Department. Did he state it had been so? Did he show a single instance where it had been so? If I had been an independent person, perfectly unbiassed, and had been waiting until the hon. gentleman made out a case against the Government, I could not have accepted his statements as making out a true bill against the Administration. The hon. gentleman took up the Department of Indian Affairs, and pointed to the great increase in expenditure, and then made the statement that he thought gross mismanagement occurred somewhere in the Department. But did the hon. gentleman show a single instance of that mismanagement? Not one. The hon. member for West Middlesex is, I think, a lawyer. We will suppose a case before a judge and jury. He charges a man with murder, and the man is put in the dock, and on coming before the court, the judge asks what the charge was. The hon. gentleman would reply: I charge the prisoner with murder. The judge would thereupon say: What is your evidence against the man? The hon. gentleman would reply: Well, your Honor, I have one man here who will say he thinks the prisoner looks as if he were a man who might

have committed murder; but will not say he has done so. The judge would ask if any further evidence is forthcoming. The hon. gentleman would reply: Yes, I have another man who states he thinks that a murder has been committed. The judge would ask if there is any further evidence, and, on receiving a reply in the negative, would read the case out of Court. What judge or jury, I ask, would condemn a man for murder on such evidence? This is the High Court of Parliament, and tries these public charges. There are charges made against the Public Works Department and the Indian Department, but, when examined, they are found to consist simply of insinuations and intimations of what might have been. Does that establish anything? Not a bit of it. Again, the hon. gentleman finds fault with the Post Office Department, and points out that expenditure for salaries has increased largely, although increased service has been given. Now, what is meant by that? Did not the hon. gentleman know that the increase of salaries is fixed by law? He does not mean to say that a bonus was given to this one and a bonus given to that one. As I understand it, the postmasters outside of the cities get 40 per cent. of the income of the office; and if this income increases, their salary must necessarily increase; and so it is not a thing which is under the control of the Department; the only thing the Department can do is to listen to the wishes of the people, and to establish post offices where they think they are needed. Then as the revenue increases and more postage is paid, of course the salaries of these postmasters increase in proportion. Then, again, he says that the sum of \$500,000 was hidden away for Dominion land surveys and charged to capital. Well, I think the hon. gentleman knows—and I think it is time—that these expenses which were formerly charged to revenue and ordinary expenses are now charged to capital; that there is a sort of separate account kept for Dominion lands; and that, although it was placed there, this was done intentionally, in accordance with the rule under which these things are done in that department, and of which this House was cognizant.

#### THE IMMIGRATION EXPENDITURE.

But I wish, Mr. Speaker, to direct the attention of the House—and I am sorry that the hon. member for West Middlesex is not present—to that hon. gentleman's criticism of the immigration question. Now, why is he opposed to the item of immigration? The hon. member for South Brant was entirely

in accord with this expenditure on immigration.

Mr. PATTERSON—No, no.

Mr. FOSTER—Well, at least, he did not criticise it; at least I think I am within bounds when I say that he did not criticise it harshly, but held out the idea that immigration was necessary to this country, and the increase in the appropriation for immigration purposes was not an improper increase. Well, the hon. member for Middlesex finds fault with it very much. A summary way of dealing with this matter would be to allow the hon. member for Middlesex and the hon. member for Brant to settle this matter between them; but I think I see why the hon. member for Middlesex took strong exception to this idea of immigration. In turning up an old copy of the *Hansard* of 1876, I find that the hon. member for Middlesex was then indulging in what has come to be an almost chronic pastime with himself—making a prophecy. He was talking about the United States, and the way they built railroads, and immigrants followed; and then he ventures upon this prophecy:—

“Anyone, who has watched the flow of immigration for the last four or five years, must admit it was beyond the range of probability, that anything like the number of immigrants would settle in America during the next ten years as in the last decade. The immigration of the last year was not one-third of what it was the preceding twelve months, and it was unlikely to increase in the future. The wages of the working classes in Great Britain and other European countries having largely increased of late, and their condition being much improved, the inducements for the people of the Old World to immigrate were, therefore, not so great as they had been in the past.”

That was the utterance of the hon. gentleman from Middlesex in 1876; it was one of his forecasts; he cast, as it were, the horoscope of the coming decade. He looked over the condition of affairs in the Old Country and in the New; and from his high position of vantage ground, coming up pretty nearly to the approaching election, and with a strong prospect, and in the hope, that he would be one of the governing body during the next few years, he ventured on his prophecy—that immigration must decrease; and that there is no possibility that it can increase after this. Now, a little bit of fact alongside of that prophecy. The hon. member for Cardwell said the other day, that time was the worst enemy which these gentlemen had to contend with; and time has unravelled and uprooted this prophecy. That was in 1876; and there was to be no great increase of immigration. Now, the number of immigrants who came to the United States was, in—

1876.....	169,986
1877.....	141,857
1878.....	138,469
1879.....	177,826
1880.....	457,257
1881.....	669,431
1882.....	788,992

That is the way in which time and fact play havoc with the elaborate prophecy of the hon. gentleman from Middlesex; and I think it was because he was a little vexed with time, because it did not fulfil his prophecy, that he undertook to find fault with and criticise this expenditure on immigration. Well, I think that no expenditure that this country goes to, or may go to, is an expenditure which is so well warranted and which will so richly repay this country, as is and will be the expenditure for immigration. I am willing to back up this Government in the widest possible immigration agency that it will put to work, to bring settlers into this country at a moderate rate of cost. Why, sir? Because I find that in 1882 112,000 persons settled in this country of ours; 100,000 of these were probably white men and the others Chinamen; and we find that these 100,000 who were brought in cost only \$3.20 per head. Now, I say, bring all the people you possibly can into this country at \$3.20 per head. Why? Because, Sir, take the average, and they will, from the first year that they are here, pay back some \$5 or so into the Customs of this country, and they will therefore pay for the expense of bringing them here; and they will do more than that. Every one of them brings a certain amount of wealth into the country, and that becomes to us a stock-in-trade, from which wealth grows and increases; and more, Sir, every one of them brings labor to this country and work for the period of his lifetime, and this will be an increasing quantity to this country. More than that, Sir, every one of them becomes an immigration agent, and writes to friends at home, praises up the country, and brings a greater or less number of his friends into this country; so, I say, put down just as much for this item of immigration as you like, so long as you bring immigrants into this country at the rate of \$3.20 per head, and there is no person in this country but would say to the Government, go on with your policy and we will back you up in it.

Sir JOHN MACDONALD—And go forty-five cents better.

Mr. FOSTER—Now, the next criticism of the hon. member from Middlesex was with reference to

## THE COMMERCE OF THE COUNTRY.

He says that the commerce of the country was to be promoted by this National Policy, and simply intimates that this has not been the result. Now, Mr. Speaker, no array of figures, dug from all the archives of this country, is going to make me lose the operation of my eye-sight and observation. No ingenious massing of figures, or transposition of figures, is going, in the face of my own eyes and observation, and what I know of this country, to make me believe that the commerce of this country has not increased, and is not increasing. Why, if we want figures for it here is the set which settles the matter immediately. The volume of trade has grown. Is there any doubt about that? It has grown. You can turn to the trade reports and find that it has grown:—

1868.....	\$131,027,532
1874.....	217,565,510
1879.....	153,455,622
1882.....	221,556,705

In 1868 it was 131 millions; in 1874, 217 millions; in 1879 — an immense decrease—153 millions; and in 1882, it was higher than ever it was in the history of this country before, and our aggregate trade was, during this year, \$221,556,705. Now, in the face of that will any hon. gentleman get up and attempt by any array of figures to prove that the commerce of the country has not increased. But that is only one part of our commerce. It is the external commerce of the country, but there is an internal commerce of the country, which no man can get at. We have not a system of statistics, and we have not the power to grasp what is meant by the internal trade of the country, but there are some pointers which tell us that it has increased. One of these is the decrease of the imports of the Maritime Provinces. We do not believe that they eat or wear less than before, and we must conclude, that if they do not import from the United States or other countries, there must be going on an interchange of commodities between them and the Upper Provinces, and I think it is a fact beyond all dispute that Nova Scotia has sent her coal in increasing quantities; that our cottons have been sent from our factories; that sugar has been sent from our refineries; that manufactures have been sent from our manufactories, up to this western country, and that there has come down to us in return the goods which these Provinces can supply. Can any man tell me who has lived along the line of the Intercolonial Railway, or has travelled upon it now and again and seen the increasing lines of freight which are carried and looked at the immense

amount of stuff that goes and comes upon that road, and yet say that the internal traffic has not increased. It has increased, it is increasing. Here is another pointer which gives us additional proof. Take the Manitoba trade. The imports into Manitoba in 1878 were \$1,122,744; in 1882, they were \$5,144,493, in other words the imports had increased 350 per cent. Is it not according to the rule of reason as well as to our observation and experience, that if this immense volume of increase has taken place in imported goods, there has taken place a corresponding increase in the internal trade between the Eastern Provinces and Manitoba and the Northwest. We get at the import trade because we have the figures; we get at the other by a process of induction and by our own observation and experience. So as we stand by the Intercolonial, as we look at the canals, as we go into our refineries, and stand in the midst of our cotton factories and see all that is going on and knowing of the interchange of commodities, we must conclude that the volume of internal commerce is increasing in this country. Then with regard to our carrying trade there is another strong point in our favor. Hon. gentlemen opposite have stated that the shipping interest is declining, but let us look at the carrying trade as another index. In 1878 there were arrivals and departures of vessels [exclusive of coasting vessels], 48,027; in 1882 there were 55,620. In 1878 the number of tons register was 12,054,890; 1882 the number of tons registered was 13,379,882. In 1878 freights were 3,296,391 tons; in 1882 they were 3,998,459. The crews employed in 1878 were 465,776; in 1882 they were 512,738. Does not the extra employment of men show the extra trade which is taking place in the matter of sea-going vessels; and if we take the coasting trade we find it equally favorable. In 1878 the number of these vessels was 61,046; in 1882 it was 75,620. The tonnage in 1878 was 11,047,661; in 1882 it was 14,791,064. The crews in 1878 numbered 585,415; in 1882, 734,926. I am aware that these figures do not show the number of vessels engaged in the trade, but as they show in both cases the arrivals and departures of vessels at particular ports, the comparative statement cannot be gainsaid. I think I have effectually disposed of the statement that the commerce of the country has decreased, and you will not make it any more clear to the House or the country if you give from now to doomsday all the figures to be found in every book in all the departments. The hon. gentle-

man, unfortunately for himself, declared that

#### OUR SHIPPING INTERESTS

had fallen off, and that this showed the failure of the National Policy which was to help our shipping interests. I find that, from 1875 to 1879, under the former policy, there was a decrease of 44 per cent. in the shipping built in Canada, while from 1879 to 1882 there was a decrease of but 34 cent. Now, if that decrease was due in this latter case to the National Policy, to what was the decrease due in the preceding series of years under the old policy; and, if we take this as an infallible test—which it is not—we find that the old policy was more disastrous to the ship-building interest by 10 per cent. than the new policy was. How is it with reference to the registered vessels? We find that, from 1875 to 1879, under the old regime, there was a decrease of 53 per cent., while, under the new, from 1879 to 1882, there was only 17 per cent. of a decrease. Again, if you take this as a rule, the present policy gives a less decrease than the preceding one. But it will be apparent that this is not a fair line of argument—that it is not indubitable proof—for wooden sailing vessels are fast going out of date. Let me put a fact alongside of this. Shipping has declined in Canada, but it has also declined in the United States. Hon. gentlemen say that that is due to a protective policy as well. Then we will go to Great Britain, and the sailing vessels have decreased continuously for the past few years. The only place where the hon. gentleman could show an increase was the little country of Norway with its immense shipping. I would like to ask the hon. gentleman if the extra increase in that country does not arise from this fact, that while other nations are doing away with their old vessels the Norwegians are buying the hulks and using them as they can. If he looks at the tonnage built he will find that Norway is no exception, and that sailing vessels are going out of the trade. So much for that argument. I thank the House for the kind and indulgent attention it has given to me. I know there are other things which I would like to answer, but there are other hon. gentlemen who can answer them far better, and at this time I will notice only one or two points. I suppose the hon. member for South Norfolk will not object to my reading from any report which comes from the Province of Ontario, with the imprimatur of the Mowat Government upon it. He has stated, in substance, that our manufacturers

were as prosperous in the old period about 1871, 1872 or 1873, as they are now, that there has been no great increase of manufacturers as a

#### RESULT OF THE NATIONAL POLICY,

in fact, that there has been very little increase at all. Well, they have a Bureau of Statistics in Ontario, a very excellent thing, which I would like to see in every Province; and this Bureau has made some enquiries as to the manufactures of the Province in the year 1882. This report says:

“But fragmentary as are the statistics of manufacturing industries furnished to the Bureau, they afford evidence of great progress having been made during the past twelve years.”

And when we come to look at the table, we find, taking for instance agricultural implements, that they get returns from forty-four factories. The census of 1871 gives returns from 173 factories; and we find that the forty-four factories returned to the Bureau, employed 2,397 hands, while the whole 173 in 1871, employed but 2,143; that the forty-four paid \$954,586, of wages, while the 173 in 1871, paid but \$745,693; that the total product of the forty-four factories was \$3,883,018, while the total product of the 173 factories in 1871 was only \$2,291,989. The Bureau also got returns from three cotton factories. In 1871, there were five in operation. The three employ 1,139 hands, while the five employed only 495 hands; the three paid in wages, \$256,960, while the five paid but \$87,400. The product of the three was valued at \$683,400, while the product of the five was worth \$492,200; and so on throughout the whole list. But just let me sum up. The hon. gentleman opposite has stated that wages are no better, and that there is no more employment now than formerly. Taking the aggregate of wages, and dividing it by the number of hands employed in these factories in 1882, and applying the same test to 1871, we find that the average wages paid in 1882 were \$336, while the average wages wages in 1871 were \$251, an increase in 1882 of 33½ per cent. So much for the tables. Now let us see what the compilers state:—

“This statement requires no analysis. It is manifest that there has been a large increase of manufactured product, as well as of hands employed and wages paid. The 44 agricultural implement works giving returns for 1882, for example, make a better exhibit than the 173 giving returns for 1871. \* \* \* The returns of agricultural implement works, to which reference has already been made, give a good indication of the progress of the province agriculturally, even had we no other evidence of it. The total number of these establishments, as appears by the table, is 122, but there is a large



number of foundries doing a mixed business which might properly be included in the same class. An idea of the extent to which improved implements of husbandry are used by the farmers of the province may be obtained from figures given in a few of the complete returns. In fifteen establishments 8,786 single reapers were made last year; in sixteen, 6,979 single mowers; in four, 425 combined reapers and mowers; in three, 800 self-binding harvesters; in five, 2,880 seed drills; in six, 8,149 sulky rakes; in one, 120 threshing machines, and in four, 8,000 ploughs. The total number of those implements made for last year's market must consequently be large."

I leave the hon. gentleman to settle his account with the Report of the Bureau of Industries for the year 1882.

#### COMPARISON WITH UNITED STATES.

The hon. gentleman devoted the latter part of his time to making a comparison between this country and the United States. He compared the expenditure per head of a young country just commencing its national life, and with a sparse population of 4,000,000, with that of an old country of centuries standing, with a population of 50,000,000. He says the expenditure per head is less there than in Canada. Why, I can show that the expenditure per head in China is much less. All you have to do is to double the population in order to make our expenditure just half of what it is. Is there any justice in comparing the expenditure of a young country, straining every nerve to attract immigrants to its shores, with an old country to which the stream of emigration has long been established, and with which we have to compete? We are in competition with both Australasia and the United States, and if we do not make strong and constant efforts to turn the current of emigration from the old track and to make it come into the new track, we shall get the come-by. The comparison of our expenditure with that of the United States is not, I think, a fair one, and will not stand with the country.

#### A LIBERAL ON PROTECTION.

But the hon. gentleman must be answered out of his own mouth. He has made several statements that protection is not necessary in order to establish manufactories, that it does not help our manufactures, that it has nothing to do with the bringing of wealth into the country, that it is a burden on the people, that it does nothing for the laborer, and is against the agricultural classes. What did this same oracle put forth as confidently in 1876 as he put forth his present opinion to-night. In 1876 he said:—

"Arts and manufactures do not spring up readily on a virgin soil."

If they do not spring up readily they must be planted; they cannot be planted without capital; and if they are planted they will not grow without protecting care. The hon. gentleman's statement is one of the bases on which the protective policy is essentially and rightly founded. In the first place there is a tendency for trade to remain in the beaten track. How can we get out of the rut and induce trade to take a new impetus unless we offer some inducement to turn the current, and this current must be turned, if turned at all, by something we must do to foster, protect and direct that trade? He goes on again to say:—

"The advantage is on the side of a nation in which manufactures are established because money is always more easily obtained there than in a new country. Then, again, the possession of organized and skilled labor is an advantage that the manufacturers in a country where manufactures are established for a long time possess over a new country."

That was the strongest argument in inducing me to support a protective policy—that all along our border there was an old country, rich with manufactures long established, with home and foreign markets at its disposal, possessing an immense amount of skill and organized labor in its midst; and I saw that unless we could counterbalance those advantages they would flood our markets with their productions and destroy all prospect of our ever having any manufactures of our own. The hon. gentleman proceeds to say it must be shown that agriculturists are to be benefited, otherwise all these arguments fall to the ground. If it could not be shown that the agricultural interests would be helped he could not give his support to any policy of Protection. But he said:—

"I believe that the interests of the nation at large would be promoted by judicious protection; I believe that the agricultural interests of the Dominion would be promoted by protection, and that the manufactures, being brought to the door of the farmer, would afford a market for a great many articles of produce that would not be saleable if the market were 3,000 miles away.

I commend that last sentence as in a few words furnishing a complete answer to the argument of the hon. member for Middlesex, who stated that Liverpool was the market of, and ruled the prices of this country. Aye it is, and rules the prices of certain things; but does the hon. gentleman mean to say that when a farmer comes to town from two or three miles distant with a load of chickens, the Liverpool market rules the price he obtains? What rules the price is what is stated here: When the manufacturer with his employed labor is brought to the door of

the farmer, the latter has a ready market for that class of produce, perishable you may call it, which he has to sell. That is what the National Policy promised and what it has given—"A home market of this kind established by protection to manufactures." That is the way to establish a home market by which "the agriculturist can benefit his soil by producing a rotation of crops." Then the hon. gentleman flies off again to the United States for illustration. He says:—

"We have at our own doors all the illustrations and experience of protection and its benefits required for our government and guidance. The United States have adopted a protective policy under which their manufactures have been fostered and promoted until in 1870 their products reached the sum of \$4,253,000,000, giving employment to 2,000,000 and disbursing over \$775,500,000 in wages.

He goes on further into the very essence of this business of a protective policy:— "British manufactures crushed out all efforts to establish factories in the Republic"—just the same as American manufacturers crushed out all efforts to establish manufactures in the Dominion—

"And the imposition of 25 per cent. duty on foreign cottons had the effect, in a few years, not only of building up manufactories, but led to the production of an article better in quality and lower in price than the Americans received from British manufactories before their own industries were established."

Following in the lead of this, I beg to state—not in the way of parody—that the imposition of a judicious duty on foreign goods would have the effect, in a few years, not only of building up manufactories in this country, but lead to the production of articles better in quality and lower in price than we received from the Americans. The hon. gentleman continued:—

"The same way with the iron trade. All attempts to establish iron industries were crushed out by foreign competition, and high prices were maintained at intervals—higher on the average than the percentage necessary to produce them in the United States at a profit. But when a protective duty was imposed, iron manufactories were established, and in a short time the price of iron was brought down several dollars per ton, and it is now sold cheaper than the British iron ever was offered for on that market."

And so on. I have simply quoted from a speech delivered in this House in 1876 by the hon. member for South Norfolk.

Mr. CHARLTON—The hon. gentleman will allow me, as a matter of fairness, to read the conclusion of that speech, the qualifying portion of all the things he has stated. Unless he does that, he will make a false impression.

Mr. FOSTER—The hon. gentleman seems to have the faculty of bearing a double shield.

One side has been turned out to us, and remains turned out to us until the last paragraph is reached. Then he turns out the other side, and qualifies what he has said by stating that he only goes for a little increase; but it is really too much for me to read the balance of his speech to the House, and if the House chooses, and the Speaker will allow it, I will consider it as read and hand it to the official reporters. I cannot conclude without referring to one objection made by the hon. gentleman from Middlesex.

#### THE PRINCIPLES OF THE TARIFF.

His last objection to the tariff was that we were always tinkering at it. He wanted something to be laid down on principle and objected to this tariff because there was no principle in it, because it was subject to no end of changes. I would call attention to this fact. There is such a thing as a plan upon which a thing is modelled, and there is an infinite diversity of detail by which it is carried out. Take, for instance, the electric light. The principle is to give a light of a certain intensity for certain uses. What would you think of the argument of a man who should go to Menlo Park and look at this lamp built in one way and that lamp built in another way, at this one discarded, and another one taken, and should say: I don't believe in electric lights at all; I want something founded on principle, you are always tinkering with the lamps. This is just the very distinction that exists here. A principle underlies the policy—it is protection to home industry, building up the trade and manufactures of this country. These things that the hon. gentleman objects to are simply the variety of details by which that principle is carried out; and I say that it would be one of the most infinite pieces of absurdity and folly to attempt to put down in one year a cast iron scale of duties for everything that came into the country, and never change the mould and run the duties into another one. Circumstances change; the conditions of trade change; and that Government is recreant to the duty imposed upon it, if it does not keep a sharp eye on every one of these changes, and when something can be introduced that would better the condition of the country to have that introduced at once.

#### CANADA'S FUTURE.

Mr. Speaker, whatever we may have heard with reference to disasters that are impending, and that great disaster that is to come in about the space of two years,

whatever we may have heard in the way of prophecy, there is in this country a spirit of hopefulness and confidence which bids all croakers take a back seat, which sets its face towards the future and does not like to hear this continual grumbling and depreciation. I say, to-day, that nothing inclined me to this party more than the fact that I felt growing up within me the spirit of our wider nationality. I saw its boundless resources, its undeveloped wealth and its magnificent future, and I could not brook that the country should be depreciated, that its great resources should be minimized, or that any influence should go forth which should be a damper on the spirit of the people. I believe that Canada, taking into account her increased resources, which she is just beginning to develop, taking into account her fisheries, which now amount to \$16,000,000 per year, and which may increase almost indefinitely; has a broad and grand future before her. She is the fourth shipping

power in the world; she stands high in comparative freedom from debt—for, whatever may be said as to her debt per head, if you take the nations of Europe or the Australian colonies, you will find that Canada has less debt than any of them—you will find that her credit is strong and continually increasing, and that she is becoming more and more known to the world. We are gradually feeling the workings of a subtle influence which cannot be stayed, which cannot be measured or weighed, but which goes more to build up a country and give an impetus to its people than anything else—the strong, subtle influence of growth, of future expansion, of a something ahead of us which is greater than that behind us. A review of the past gives us courage to look upon the future, to turn the present to our advantage, and to go forward in the race of developing our young nationality, which is destined some time to be as great as any that the sun shines on.

